

Exhibit 35

<p>1 2 COMMODITY FUTURES TRADING COMMISSION 3 -----x 4 IN THE MATTER OF: 5 RETAIL FOREX FRAUD 6 -----x 7 140 Broadway 8 New York, New York 9 May 19, 2016 9:39 a.m. 10 11 12 Examination of WILLIAM AHDOUT, held 13 at the above-noted time and place, before a 14 Notary Public of the State of New York. 15 16 17 18 19 20 21 22 23 24 25</p>	<p>2 1 2 A P P E A R A N C E S: 3 COMMODITY FUTURES TRADING COMMISSION 4 140 Broadway, 19th Floor 5 New York, New York 10005 6 BY: XAVIER ROMEU-MATTA, ESQ. 7 K. BRENT TOMER, ESQ. (From page 1 to 8 page 146 and page 177 to 314) 9 DAVID C. NEWMAN, ESQ. 10 CHRISTOPHER M. GIGLIO, Investigator 11 12 WEIL GOTSHAL & MANGES 13 Attorneys for Witness 14 767 Fifth Avenue 15 New York, New York 10153 16 BY: CHRIS GARCIA, ESQ. 17 RAQUEL KELLERT, ESQ. 18 ELIZABETH KERWIN-MILLER, ESQ. 19 20 21 22 23 24 25</p>
<p>3 1 2 (Order In the Matter of Retail 3 Forex Fraud issued by the Commission on 4 July 1, 2015 was premarked as Exhibit 1, 5 for identification, as of this date.) 6 (Statement to Persons Providing 7 Information About Themselves to the 8 Commodity Futures Trading Commission was 9 premarked as Exhibit 2, for 10 identification, as of this date.) 11 MR. ROMEU-MATTA: We're on the 12 record. It's 9:39 in the morning of 13 April 19, 2016. 14 Can you please swear in the 15 witness. 16 WILLIAM AHDOUT, called 17 as a witness, having affirmed before 18 a Notary Public, was examined and 19 testified as follows: 20 EXAMINATION BY 21 MR. ROMEU-MATTA: 22 Q. Please state and spell your full 23 name for the record. 24 A. William, W-I-L-L-I-A-M, Ahdout, 25 A-H-D-O-U-T.</p>	<p>4 1 Ahdout 2 Q. State your full home address. 3 A. 2 Hilltop Drive, Great Neck, New 4 York 11021. 5 MR. NEWMAN: Can you keep your 6 voice up, please. 7 Q. My name is Xavier Romeu-Matta. 8 I'm here with Brent Tomer, Christopher Giglio 9 and David Newman. We are officers of the 10 Commodity Futures Trading Commission for the 11 purpose of this proceeding. This is an 12 investigation by the US Commodity Futures 13 Trading Commission In the Matter of Retail 14 Forex Fraud to determine whether there have 15 been violations of the Commodity Exchange Act 16 and/or its regulations. 17 The facts developed in this 18 investigation might constitute violations of 19 other Federal or State civil or criminal laws. 20 Do you understand? 21 A. Yes. 22 Q. Are you represented by counsel? 23 A. Yes. 24 MR. ROMEU-MATTA: Counsel, please 25 identify yourself for the record.</p>

<p style="text-align: right;">113</p> <p>1 Ahdout</p> <p>2 Q. Do you understand Exhibit</p> <p>3 Number 7?</p> <p>4 A. Not a hundred percent, no.</p> <p>5 Q. Let's just go through Exhibit</p> <p>6 Number 7. The subject is recap meeting, so</p> <p>7 there appears to have been a meeting prior to</p> <p>8 this exhibit, correct?</p> <p>9 A. Okay.</p> <p>10 Q. This e-mail is a recapping of</p> <p>11 what transpired at that meeting; is that fair</p> <p>12 enough?</p> <p>13 A. Yes.</p> <p>14 Q. One of the things that were</p> <p>15 discussed at that meeting would be that</p> <p>16 Dittami would prepare a resignation letter; is</p> <p>17 that correct?</p> <p>18 A. Yes.</p> <p>19 Q. That resignation letter would</p> <p>20 waive the terms of the employment agreement;</p> <p>21 is that correct?</p> <p>22 A. Yes.</p> <p>23 Q. Taking a look at point number</p> <p>24 five, it appears that as part of the</p> <p>25 discussion Dittami's attorney or FXCM would</p>	<p style="text-align: right;">114</p> <p>1 Ahdout</p> <p>2 draft a licensing agreement; is that correct?</p> <p>3 A. I don't know what licensing</p> <p>4 agreement means, so I can't tell you.</p> <p>5 Q. Do you have any recollection of</p> <p>6 licensing agreement?</p> <p>7 A. I don't know what a licensing</p> <p>8 agreement means.</p> <p>9 Q. Do you know whether instead of</p> <p>10 licensing agreement it meant a services</p> <p>11 agreement between Effex and FXCM?</p> <p>12 A. I don't know if it's the same</p> <p>13 thing or what a service agreement would be</p> <p>14 either.</p> <p>15 Q. It appears that as part of the</p> <p>16 discussion Effex would pay 70 percent of</p> <p>17 EBITDA to FXCM; is that correct?</p> <p>18 MR. ROMEU-MATTA: EBITDA is</p> <p>19 E-B-I-T-D-A.</p> <p>20 A. That's what this says.</p> <p>21 Q. You don't have any independent</p> <p>22 recollection?</p> <p>23 A. No.</p> <p>24 Q. You don't recall whether the</p> <p>25 arrangement was for Effex to continue as EESD</p>
<p style="text-align: right;">115</p> <p>1 Ahdout</p> <p>2 and pay 70 percent of profits?</p> <p>3 A. To pay 70 percent of the profits</p> <p>4 was not part of the agreement.</p> <p>5 MR. TOMER: Do you recall having</p> <p>6 a discussion about paying 70 percent of</p> <p>7 the profit the with Mr. Dittami?</p> <p>8 THE WITNESS: Yes.</p> <p>9 MR. TOMER: What was the nature</p> <p>10 of that discussion?</p> <p>11 THE WITNESS: That we have the</p> <p>12 same similarities in the framework that</p> <p>13 we created in the employment discussion.</p> <p>14 MR. TOMER: Was that the initial</p> <p>15 plan?</p> <p>16 THE WITNESS: That was the</p> <p>17 initial plan.</p> <p>18 MR. TOMER: When you look at this</p> <p>19 e-mail and see that it's a recap of a</p> <p>20 meeting, you believe that that same</p> <p>21 similarities discussion occurred prior</p> <p>22 to this e-mail?</p> <p>23 THE WITNESS: Ask your question</p> <p>24 again, please.</p> <p>25 MR. TOMER: Can you read back the</p>	<p style="text-align: right;">116</p> <p>1 Ahdout</p> <p>2 question?</p> <p>3 (Record read.)</p> <p>4 THE WITNESS: What do you mean by</p> <p>5 similarities to discuss?</p> <p>6 MR. TOMER: You said before that</p> <p>7 you had a discussion where the</p> <p>8 similarities of economics would be used</p> <p>9 in the business relationship between</p> <p>10 FXCM and Effex; is that correct?</p> <p>11 THE WITNESS: We're discussing</p> <p>12 that this is a recap of a meeting,</p> <p>13 correct, yes?</p> <p>14 MR. TOMER: Yes.</p> <p>15 THE WITNESS: The initial meeting</p> <p>16 we had was the framework would be</p> <p>17 somewhere around 70 percent --</p> <p>18 70 percent of Effex's EBITDA.</p> <p>19 MR. TOMER: Okay. You said it</p> <p>20 would be a framework as opposed to an</p> <p>21 outright 70 percent?</p> <p>22 THE WITNESS: Yes.</p> <p>23 MR. TOMER: What do you mean by</p> <p>24 that?</p> <p>25 THE WITNESS: I meant that I had</p>

<p style="text-align: right;">117</p> <p>1 Ahdout</p> <p>2 a discussion with him that this was</p> <p>3 something that I was okay with. I would</p> <p>4 have to take it back to my partners and</p> <p>5 compliance officers and see if that</p> <p>6 would be okay.</p> <p>7 MR. TOMER: Did you do that?</p> <p>8 THE WITNESS: Yes.</p> <p>9 MR. TOMER: What was the nature</p> <p>10 of those discussions?</p> <p>11 THE WITNESS: That can we get</p> <p>12 70 percent of John's EBITDA from his</p> <p>13 company.</p> <p>14 MR. TOMER: What was the answer?</p> <p>15 THE WITNESS: No.</p> <p>16 MR. TOMER: Who was at this</p> <p>17 meeting?</p> <p>18 THE WITNESS: I believe it was</p> <p>19 James Sanders.</p> <p>20 MR. TOMER: Anyone else?</p> <p>21 THE WITNESS: Ken Grossman.</p> <p>22 MR. TOMER: Anyone else?</p> <p>23 THE WITNESS: Possibly Drew.</p> <p>24 MR. TOMER: Was Mr. Dittami</p> <p>25 present?</p>	<p style="text-align: right;">118</p> <p>1 Ahdout</p> <p>2 THE WITNESS: No.</p> <p>3 MR. TOMER: Was an alternative</p> <p>4 discussed during that meeting?</p> <p>5 THE WITNESS: Yes.</p> <p>6 MR. TOMER: What was that?</p> <p>7 THE WITNESS: That Effex can pay</p> <p>8 FXCM a hard pay for flow dollar number.</p> <p>9 MR. TOMER: How would that dollar</p> <p>10 number be configured or determined?</p> <p>11 THE WITNESS: \$21 per million.</p> <p>12 MR. TOMER: Why 21?</p> <p>13 THE WITNESS: Again, the</p> <p>14 framework was something that we were</p> <p>15 trying to work around after we had</p> <p>16 already made agreements.</p> <p>17 MR. TOMER: Sure. Was it</p> <p>18 believed that the 21 would approximate</p> <p>19 the 70 percent of EBITDA?</p> <p>20 THE WITNESS: It would be in the</p> <p>21 ballpark, but it wouldn't be exact.</p> <p>22 MR. TOMER: Did Mr. Sanders --</p> <p>23 who came up with this idea?</p> <p>24 THE WITNESS: I don't remember.</p> <p>25 MR. TOMER: Did Dittami have</p>
<p style="text-align: right;">119</p> <p>1 Ahdout</p> <p>2 input?</p> <p>3 THE WITNESS: No.</p> <p>4 MR. TOMER: Who determined the</p> <p>5 \$21 figure?</p> <p>6 THE WITNESS: Myself and John.</p> <p>7 MR. TOMER: Yourself and</p> <p>8 Mr. Dittami?</p> <p>9 THE WITNESS: Yes.</p> <p>10 MR. TOMER: In discussing this</p> <p>11 approximation, if that's fair to say, of</p> <p>12 the 70 percent of EBITDA, did you</p> <p>13 have -- was that discussed with</p> <p>14 Mr. Sanders?</p> <p>15 THE WITNESS: I'm not</p> <p>16 understanding the question.</p> <p>17 MR. TOMER: This framework where</p> <p>18 Effex would pay \$21 per million to</p> <p>19 approximate or ballpark, as you said,</p> <p>20 the 70 percent EBITDA split, did you</p> <p>21 have that discussion with Mr. Sanders</p> <p>22 present?</p> <p>23 THE WITNESS: Yes.</p> <p>24 MR. TOMER: What was his reaction</p> <p>25 to that?</p>	<p style="text-align: right;">120</p> <p>1 Ahdout</p> <p>2 THE WITNESS: As long as you have</p> <p>3 a solid number that doesn't fluctuate</p> <p>4 with P&L -- doesn't fluctuate with P&L,</p> <p>5 doesn't go up and down, doesn't vary, he</p> <p>6 might make a lot of money, he might lose</p> <p>7 a lot of money, whatever happens you're</p> <p>8 still getting \$21 per million.</p> <p>9 MR. TOMER: He said that would be</p> <p>10 okay?</p> <p>11 THE WITNESS: He said that would</p> <p>12 be okay.</p> <p>13 MR. TOMER: Did anyone else</p> <p>14 express concerns with that arrangement?</p> <p>15 THE WITNESS: I don't recall.</p> <p>16 MR. TOMER: Did Mr. Niv express a</p> <p>17 view on that arrangement?</p> <p>18 THE WITNESS: I don't recall.</p> <p>19 MR. GARCIA: Which arrangement</p> <p>20 here, the \$21?</p> <p>21 MR. TOMER: Yes.</p> <p>22 Did Mr. Grossman express a view</p> <p>23 on this arrangement regarding the \$21?</p> <p>24 THE WITNESS: If I recall</p> <p>25 correctly, he said he believed that a</p>

<p style="text-align: right;">129</p> <p>1 Ahdout</p> <p>2 MR. TOMER: Is there any reason</p> <p>3 why Mr. Dittami would have wanted to get</p> <p>4 the EES up and running on all servers on</p> <p>5 April 14, 2010 or April 11, 2010?</p> <p>6 THE WITNESS: Maybe, as far as he</p> <p>7 thought, we're still running with the</p> <p>8 project.</p> <p>9 BY MR. ROMEU-MATTA:</p> <p>10 Q. Do you have an understanding of</p> <p>11 what Drew Niv meant by EES --</p> <p>12 (Reporter clarification.)</p> <p>13 Q. -- reliably capturing a lot of</p> <p>14 flow?</p> <p>15 A. It means that they would do a</p> <p>16 majority of executions for our customers.</p> <p>17 Q. A majority as compared to other</p> <p>18 liquidity providers?</p> <p>19 A. I'm sorry.</p> <p>20 Q. A majority of the executions --</p> <p>21 A. Yes.</p> <p>22 Q. -- as compared to other liquidity</p> <p>23 providers?</p> <p>24 A. Yes.</p> <p>25 Q. Do you know what trading volume</p>	<p style="text-align: right;">130</p> <p>1 Ahdout</p> <p>2 Effex Capital was able to capture in 2010?</p> <p>3 A. I don't remember the volume.</p> <p>4 Q. Do you know whether it was a</p> <p>5 majority of the volume?</p> <p>6 A. I don't know if it's majority.</p> <p>7 Q. A plurality of the volume?</p> <p>8 A. Plurality means?</p> <p>9 Q. The largest amount of the volume</p> <p>10 but not a majority.</p> <p>11 A. Yes.</p> <p>12 Q. How about in 2011?</p> <p>13 (Reporter clarification.)</p> <p>14 A. Probably the same.</p> <p>15 Q. In 2012?</p> <p>16 A. Probably the same.</p> <p>17 Q. 2013?</p> <p>18 A. Probably the same.</p> <p>19 Q. 2014?</p> <p>20 A. Probably the same.</p> <p>21 Q. So it would probably be a</p> <p>22 plurality of the volume throughout all those</p> <p>23 years?</p> <p>24 A. Yes.</p> <p>25 Q. Why would Drew Niv want EES</p>
<p style="text-align: right;">131</p> <p>1 Ahdout</p> <p>2 capturing a lot of flow?</p> <p>3 A. Because it would -- what EES was</p> <p>4 meant to do was improve pricing, improve</p> <p>5 execution, improve rejections, improve</p> <p>6 customer experience.</p> <p>7 Q. Why wouldn't Drew Niv single out</p> <p>8 other liquidity providers for capturing a lot</p> <p>9 of flow?</p> <p>10 A. Because we've been banging heads</p> <p>11 with a lot of other liquidity providers for a</p> <p>12 long time.</p> <p>13 Q. Was it because other liquidity</p> <p>14 providers were not rebating profits to FXCM?</p> <p>15 A. We tried with them. Some did.</p> <p>16 Q. Some did?</p> <p>17 A. Yes.</p> <p>18 Q. Which ones?</p> <p>19 A. Goldman Sachs.</p> <p>20 Q. When?</p> <p>21 A. Some time before 2010.</p> <p>22 Q. They paid rebates for FXCM?</p> <p>23 A. Yes.</p> <p>24 MR. TOMER: Do you recall what</p> <p>25 the percentage per million was on those?</p>	<p style="text-align: right;">132</p> <p>1 Ahdout</p> <p>2 THE WITNESS: Hundred dollars per</p> <p>3 million. You mean dollar per million,</p> <p>4 not percentage?</p> <p>5 MR. TOMER: Sure, dollars per</p> <p>6 million.</p> <p>7 THE WITNESS: It was a hundred</p> <p>8 dollars per million.</p> <p>9 Q. Any other liquidity provider pay</p> <p>10 rebate profits to FXCM other than Goldman</p> <p>11 Sachs?</p> <p>12 A. BNP.</p> <p>13 Q. How much did it provide per</p> <p>14 million?</p> <p>15 A. I don't remember.</p> <p>16 Q. Do you know when it was making</p> <p>17 payments for rebates?</p> <p>18 A. I don't remember the exact dates.</p> <p>19 Q. Do you remember a year?</p> <p>20 A. I don't remember exact dates.</p> <p>21 Q. In your mind did there come a</p> <p>22 time when Effex Capital became organized as an</p> <p>23 LLC?</p> <p>24 A. Yes.</p> <p>25 Q. When?</p>

<p style="text-align: right;">161</p> <p>1 Ahdout</p> <p>2 not trying to make more profits.</p> <p>3 MR. NEWMAN: Did he ever try to</p> <p>4 pay less -- try to renegotiate to pay</p> <p>5 less per million to FXCM at a time that</p> <p>6 his profits were going up?</p> <p>7 THE WITNESS: Really didn't keep</p> <p>8 too much track of his profits.</p> <p>9 MR. NEWMAN: Do you recall if</p> <p>10 that ever happened?</p> <p>11 THE WITNESS: I don't remember.</p> <p>12 MR. NEWMAN: If it was the</p> <p>13 case --</p> <p>14 THE WITNESS: I mean, the context</p> <p>15 of your question is he would come to me</p> <p>16 and say, I'm making a tremendous amount</p> <p>17 of money. Can I pay you less?</p> <p>18 MR. NEWMAN: Yeah, that's my --</p> <p>19 that's my question.</p> <p>20 THE WITNESS: What would I answer</p> <p>21 if somebody came to me and tell me, I'm</p> <p>22 cleaning up here, I'm making tremendous</p> <p>23 amount of money, and I'm going to pay</p> <p>24 you less?</p> <p>25 MR. NEWMAN: Potentially, if he</p>	<p style="text-align: right;">162</p> <p>1 Ahdout</p> <p>2 was providing better service to FXCM.</p> <p>3 THE WITNESS: My answer would be</p> <p>4 keep to your contract.</p> <p>5 MR. NEWMAN: You said that the</p> <p>6 amount was -- amount that began at \$21</p> <p>7 per million was adjusted several times.</p> <p>8 THE WITNESS: Was adjusted -- was</p> <p>9 not adjusted several times. Was</p> <p>10 adjusted maybe very few times.</p> <p>11 MR. NEWMAN: About how many would</p> <p>12 you say?</p> <p>13 THE WITNESS: Two maybe, maybe</p> <p>14 three. I don't recall exactly but</p> <p>15 something like that.</p> <p>16 MR. NEWMAN: Okay. Was there any</p> <p>17 concern expressed within FXCM that</p> <p>18 adjusting the amount per million that</p> <p>19 Effex would pay to FXCM and in</p> <p>20 particular adjusting it down when Effex</p> <p>21 was making less money would look like or</p> <p>22 could appear like Effex was paying a</p> <p>23 percentage of its profits to FXCM?</p> <p>24 THE WITNESS: I don't remember a</p> <p>25 particular concern.</p>
<p style="text-align: right;">163</p> <p>1 Ahdout</p> <p>2 MR. NEWMAN: Do you remember</p> <p>3 generally?</p> <p>4 THE WITNESS: Once we made the</p> <p>5 decision that we're not going with the</p> <p>6 percentage, we can't go with the</p> <p>7 percentage, we're going with the hard</p> <p>8 number, we just went with the hard</p> <p>9 number. Whatever the hard number was,</p> <p>10 the hard number was. Whether he makes a</p> <p>11 profit or he makes a loss or he makes</p> <p>12 more money or he makes less money, the</p> <p>13 hard number is the hard number.</p> <p>14 MR. NEWMAN: Your testimony is</p> <p>15 that the hard number changed over time,</p> <p>16 and it went down when John Dittami told</p> <p>17 you that he was making less.</p> <p>18 THE WITNESS: Or his expenses was</p> <p>19 up or he wasn't capturing as much flow</p> <p>20 or very -- variety of reasons that he</p> <p>21 could have for not wanting to pay as</p> <p>22 much, but, as a businessman, you always</p> <p>23 negotiate back and forth.</p> <p>24 MR. NEWMAN: If he wasn't</p> <p>25 capturing as much flow, why would that</p>	<p style="text-align: right;">164</p> <p>1 Ahdout</p> <p>2 have an impact on the dollars per</p> <p>3 million of flow that he was capturing?</p> <p>4 THE WITNESS: One example that</p> <p>5 comes to my mind right now is that if</p> <p>6 he's not capturing as much flow means</p> <p>7 that his fixed costs are eating up his</p> <p>8 profits.</p> <p>9 MR. NEWMAN: Okay. The answer --</p> <p>10 the answer to my question maybe three</p> <p>11 questions ago is that you don't remember</p> <p>12 any -- any discussions about this?</p> <p>13 THE WITNESS: Any discussions</p> <p>14 about why he wanted to lower the number?</p> <p>15 MR. NEWMAN: Sorry, can you go</p> <p>16 back to -- I hate to do this to you.</p> <p>17 It's probably, at this point, four or</p> <p>18 five questions before. It was the</p> <p>19 question after he responded that he</p> <p>20 didn't remember in particular -- any</p> <p>21 particular conversations. I think the</p> <p>22 word particular should be in there.</p> <p>23 (Record read.)</p> <p>24 MR. NEWMAN: The question is: Do</p> <p>25 you remember, generally, discussions</p>

<p style="text-align: right;">201</p> <p>1 Ahdout</p> <p>2 Q. Well, if that's what it is, then</p> <p>3 that's what I'd like to know.</p> <p>4 A. Again, I don't know what they</p> <p>5 did. I don't remember the contract. I don't</p> <p>6 remember this name, so I don't know if they</p> <p>7 just reviewed it, if they helped him, if they</p> <p>8 didn't help him. I do not -- I do not</p> <p>9 remember, and therefore, I would rather not</p> <p>10 comment on something that I don't remember.</p> <p>11 Q. But it should have been either</p> <p>12 they reviewed it or they actually drafted it,</p> <p>13 correct, because they're sending it to John</p> <p>14 Dittami for his review?</p> <p>15 A. Again, I don't know what they</p> <p>16 did.</p> <p>17 Q. You don't know whether they</p> <p>18 drafted the consulting agreement or they</p> <p>19 reviewed the consulting agreement?</p> <p>20 A. Neither one.</p> <p>21 MR. TOMER: Before you move on, I</p> <p>22 want to step back for a second, and</p> <p>23 apologize if this was asked before, but</p> <p>24 you mentioned earlier today that FXCM</p> <p>25 received some payments from Goldman</p>	<p style="text-align: right;">202</p> <p>1 Ahdout</p> <p>2 Sachs for order flow.</p> <p>3 THE WITNESS: Yes.</p> <p>4 MR. TOMER: Do you recall which</p> <p>5 entity those payments went to?</p> <p>6 THE WITNESS: I don't.</p> <p>7 MR. TOMER: I understand while I</p> <p>8 was out of the room that there was some</p> <p>9 discussion regarding the fact that the</p> <p>10 payments for order flow was made to the</p> <p>11 holdings entity as opposed to the</p> <p>12 operating entity, the Effex payments for</p> <p>13 order flow.</p> <p>14 Did you have any discussions with</p> <p>15 compliance regarding or do you recall</p> <p>16 any discussions with compliance</p> <p>17 regarding where those payments were</p> <p>18 sent?</p> <p>19 THE WITNESS: I believe the</p> <p>20 comment that I made was that I don't</p> <p>21 work in accounting. I don't review or</p> <p>22 preview or discuss these things. The</p> <p>23 one fact that I do know is that we are a</p> <p>24 public company. All our financials are</p> <p>25 open book for everybody to read and look</p>
<p style="text-align: right;">203</p> <p>1 Ahdout</p> <p>2 at, so we're not hiding anything, and we</p> <p>3 have auditors that -- that make comments</p> <p>4 on our financials, and I have full</p> <p>5 confidence that everything was done in</p> <p>6 the proper manner.</p> <p>7 MR. TOMER: I'm not sure -- I'm</p> <p>8 not asking --</p> <p>9 MR. NEWMAN: Can you read back</p> <p>10 what the question was?</p> <p>11 MR. TOMER: -- about the</p> <p>12 financials in general. I'm asking a</p> <p>13 specific question.</p> <p>14 THE WITNESS: Specific to your</p> <p>15 question, I have full -- full confidence</p> <p>16 in our accounting department, and I</p> <p>17 don't work in accounting. Therefore, I</p> <p>18 do not look at payments paid and</p> <p>19 received --</p> <p>20 MR. TOMER: Okay.</p> <p>21 THE WITNESS: -- and where they</p> <p>22 go and where they come from.</p> <p>23 MR. TOMER: Again, I'm not asking</p> <p>24 if you looked at where payments came</p> <p>25 from and where they went to. I'm asking</p>	<p style="text-align: right;">204</p> <p>1 Ahdout</p> <p>2 if you recall any discussions at all</p> <p>3 among anyone for any reason about the</p> <p>4 decision to have the order flow payments</p> <p>5 made to the holdings entity?</p> <p>6 THE WITNESS: I do not recall.</p> <p>7 MR. TOMER: Do you recall any</p> <p>8 concerns raised by anyone whatsoever</p> <p>9 about the manner in which the payments</p> <p>10 were made?</p> <p>11 THE WITNESS: No.</p> <p>12 MR. TOMER: Other than the fact</p> <p>13 of the payments, do you recall any</p> <p>14 conversations whatsoever about concerns</p> <p>15 regarding the payments for order flow</p> <p>16 from Effex?</p> <p>17 THE WITNESS: Whether order for</p> <p>18 flow is...</p> <p>19 MR. TOMER: Hmm?</p> <p>20 THE WITNESS: I'm trying to</p> <p>21 understand the question.</p> <p>22 MR. TOMER: I'm saying other than</p> <p>23 the fact that Effex was making payments</p> <p>24 for order flow, do you recall any other</p> <p>25 conversations regarding the manner in</p>

<p style="text-align: right;">249</p> <p>1 Ahdout</p> <p>2 bid, 1.29999, was lower than the liquidity</p> <p>3 provider's bid of 1.30000.</p> <p>4 A. Okay.</p> <p>5 Q. Okay. Is that correct?</p> <p>6 A. Yes.</p> <p>7 Q. The access that Effex has to bid</p> <p>8 and offers of other market maker, the ability</p> <p>9 to win ties and the 0.1 pip markup advantage</p> <p>10 pretty much allowed Effex to take any trades</p> <p>11 it wanted in the currency pair; is that</p> <p>12 correct?</p> <p>13 A. Incorrect.</p> <p>14 Q. How so?</p> <p>15 A. If someone is bidding higher than</p> <p>16 you, you're not getting it. You're describing</p> <p>17 a tie here.</p> <p>18 Q. Yes.</p> <p>19 A. He won ties. Yes, I'm telling</p> <p>20 you he won ties.</p> <p>21 Q. Right, but Effex can win all the</p> <p>22 ties that it wants.</p> <p>23 A. As long as there's a price</p> <p>24 match --</p> <p>25 Q. Right.</p>	<p style="text-align: right;">250</p> <p>1 Ahdout</p> <p>2 A. -- the customer is no worse off,</p> <p>3 so why not?</p> <p>4 Q. No, I know, but it is winning all</p> <p>5 ties -- it can decide to win all ties.</p> <p>6 A. Okay.</p> <p>7 Q. It can win this tie with the</p> <p>8 liquidity provider --</p> <p>9 A. Yes.</p> <p>10 Q. -- and it has -- the pip markup</p> <p>11 advantage would allow it to win all the trades</p> <p>12 it wanted in the currency pair?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. These advantages that</p> <p>15 Effex enjoys are beneficial to FXCM?</p> <p>16 A. Indifferent.</p> <p>17 Q. Indifferent? Isn't FXCM</p> <p>18 profiting because --</p> <p>19 A. Actually, it's -- it's</p> <p>20 advantageous to FXCM, yes.</p> <p>21 Q. How is it advantageous to FXCM?</p> <p>22 A. Better execution, faster</p> <p>23 execution, no slippage, no rejections, no last</p> <p>24 look.</p> <p>25 Q. Also the rebate of profits?</p>
<p style="text-align: right;">251</p> <p>1 Ahdout</p> <p>2 A. Also rebates of profits.</p> <p>3 Q. Okay.</p> <p>4 MR. TOMER: When Goldman was</p> <p>5 paying for order flow, did they have the</p> <p>6 same advantages?</p> <p>7 THE WITNESS: Yes.</p> <p>8 MR. TOMER: Top of book?</p> <p>9 THE WITNESS: Top of book, ties,</p> <p>10 wider spread on other liquidity</p> <p>11 providers.</p> <p>12 Q. Did there come a time when</p> <p>13 Goldman didn't have these advantages anymore?</p> <p>14 A. In essence, what you're trying</p> <p>15 to -- in essence, what you're trying to create</p> <p>16 is a better, tighter trading experience for</p> <p>17 our customer, so did we have to give some</p> <p>18 advantages to a market maker so that he can</p> <p>19 provide us tighter pricing, better pricing,</p> <p>20 better execution, less slippage, faster time</p> <p>21 to market? Yes, we did those -- give</p> <p>22 advantages. At some point in time, rare</p> <p>23 occasion, was it -- was it more</p> <p>24 disadvantageous to the customer? Very big if.</p> <p>25 I would say overall made the execution</p>	<p style="text-align: right;">252</p> <p>1 Ahdout</p> <p>2 platform much, much, much better.</p> <p>3 Q. Did there come a time when</p> <p>4 Goldman no longer had these advantages?</p> <p>5 A. When we stopped doing our deal</p> <p>6 with them.</p> <p>7 Q. Why did you stop?</p> <p>8 A. They -- we were not getting paid</p> <p>9 on our invoices in a timely fashion from them.</p> <p>10 Q. Failure to pay by Goldman?</p> <p>11 A. Yes.</p> <p>12 Q. Did any other liquidity provider</p> <p>13 have these advantages other than Goldman?</p> <p>14 A. Deutsche Bank.</p> <p>15 Q. What advantages did it have, the</p> <p>16 same ones?</p> <p>17 A. I think -- I think pretty much</p> <p>18 the same ones.</p> <p>19 Q. Do you remember when the</p> <p>20 advantages were given to Goldman Sachs, the</p> <p>21 year?</p> <p>22 A. I don't remember.</p> <p>23 Q. How about Deutsche Bank?</p> <p>24 A. I don't remember the year.</p> <p>25 MR. NEWMAN: Can I ask a general</p>

<p style="text-align: right;">257</p> <p>1 Ahdout</p> <p>2 asking?</p> <p>3 MR. NEWMAN: Yeah, I guess so. I</p> <p>4 guess the question is: Were you -- if</p> <p>5 that's the explanation for why Effex</p> <p>6 Capital never achieved a majority of the</p> <p>7 volume, is that something that was a</p> <p>8 surprising result for some reason?</p> <p>9 THE WITNESS: I don't know if it</p> <p>10 was surprising. I just thought that</p> <p>11 just the way the nature of the market</p> <p>12 works.</p> <p>13 MR. NEWMAN: Okay.</p> <p>14 BY MR. ROMEU-MATTA:</p> <p>15 Q. Did there come a time when Effex</p> <p>16 Capital ceased making payments to FXCM</p> <p>17 Holdings, monthly rebate payments?</p> <p>18 A. Yes.</p> <p>19 Q. When was that?</p> <p>20 A. I don't recall the exact time,</p> <p>21 but I think it had something to do with some</p> <p>22 regulator in a different country that</p> <p>23 disallowed payment for flow.</p> <p>24 Q. Was it because the UK financial</p> <p>25 authority banned payments for flow?</p>	<p style="text-align: right;">258</p> <p>1 Ahdout</p> <p>2 A. Could be.</p> <p>3 Q. But you're not sure?</p> <p>4 A. I'm not sure.</p> <p>5 Q. You're not sure when they ceased</p> <p>6 making payments?</p> <p>7 A. I don't remember the date.</p> <p>8 Q. If I give you a date August 1,</p> <p>9 2014, does that make any sense?</p> <p>10 A. No.</p> <p>11 Q. Do you know whether Effex Capital</p> <p>12 and FXCM ended their service agreement as a</p> <p>13 result of the ban on payments for order flow?</p> <p>14 A. I don't think so.</p> <p>15 Q. You don't think so?</p> <p>16 A. I don't think so.</p> <p>17 Your question is whether they</p> <p>18 still make markets to us or not?</p> <p>19 Q. No. They do.</p> <p>20 A. I don't understand your question.</p> <p>21 Q. But they do?</p> <p>22 A. Make markets to FXCM?</p> <p>23 Q. Yeah.</p> <p>24 A. Yeah, they do.</p> <p>25 MR. GARCIA: I'm sorry, I don't</p>
<p style="text-align: right;">259</p> <p>1 Ahdout</p> <p>2 think he -- obviously didn't understand</p> <p>3 your prior question.</p> <p>4 MR. ROMEU-MATTA: Can you read</p> <p>5 the question.</p> <p>6 (Record read.)</p> <p>7 THE WITNESS: Service agreement</p> <p>8 means he would stop making markets to</p> <p>9 us, no?</p> <p>10 MR. GARCIA: No, I'm sorry, what</p> <p>11 was the answer?</p> <p>12 (Record read.)</p> <p>13 MR. GARCIA: Two more questions</p> <p>14 before that.</p> <p>15 (Record read.)</p> <p>16 MR. ROMEU-MATTA: Maybe if you</p> <p>17 just want to ask him a question.</p> <p>18 MR. GARCIA: Yeah. Do you</p> <p>19 remember being asked about the</p> <p>20 circumstances under which Effex stopped</p> <p>21 paying order for flow to FXCM? Do you</p> <p>22 remember Xavier asking the question?</p> <p>23 THE WITNESS: Yes.</p> <p>24 MR. GARCIA: Do you remember</p> <p>25 answering to him I think it had</p>	<p style="text-align: right;">260</p> <p>1 Ahdout</p> <p>2 something to do with a change in policy</p> <p>3 and some regulator overseas?</p> <p>4 THE WITNESS: Yes.</p> <p>5 MR. GARCIA: Is that change in</p> <p>6 regulation by a regulator overseas the</p> <p>7 reason why FXCM decided it was not going</p> <p>8 to accept pay for flow payments from</p> <p>9 Effex anymore?</p> <p>10 THE WITNESS: Yes.</p> <p>11 (Letter was marked as Exhibit 22,</p> <p>12 for identification, as of this date.)</p> <p>13 BY MR. ROMEU-MATTA:</p> <p>14 Q. Let me show you what I marked as</p> <p>15 Exhibit Number 22. Let me know when you're</p> <p>16 done reviewing it.</p> <p>17 A. Okay.</p> <p>18 Q. Do you recognize this letter?</p> <p>19 A. I do not.</p> <p>20 Q. You've not seen this letter</p> <p>21 before?</p> <p>22 A. No.</p> <p>23 Q. Do you have an understanding of</p> <p>24 what this letter is?</p> <p>25 A. Effective as of August 1, 2014,</p>

<p style="text-align: right;">261</p> <p>1 Ahdout</p> <p>2 both parties agree to terminate the terms of</p> <p>3 the letter attached hereto as Exhibit B dated</p> <p>4 April 14, 2010.</p> <p>5 Q. Yes, and do you see the</p> <p>6 attachment?</p> <p>7 A. Okay.</p> <p>8 Q. This letter is terminated by the</p> <p>9 August 2014 letter, the attachment?</p> <p>10 A. Okay.</p> <p>11 Q. Do you have an understanding of</p> <p>12 what was terminated by the August 25, 2014</p> <p>13 letter?</p> <p>14 A. John's employment at FXCM.</p> <p>15 Q. I mean the August 25, 2014</p> <p>16 letter, not the 2010 letter.</p> <p>17 A. I don't know what this one means.</p> <p>18 Q. Okay. Did the UK financial</p> <p>19 authority ban on payments for order flow have</p> <p>20 an effect on FXCM?</p> <p>21 A. I believe so.</p> <p>22 Q. What effect did it have?</p> <p>23 A. We stopped taking payment for</p> <p>24 order flow.</p> <p>25 Q. How much was lost as a result of</p>	<p style="text-align: right;">262</p> <p>1 Ahdout</p> <p>2 this stopping of payment for order flow?</p> <p>3 A. I don't remember.</p> <p>4 MR. TOMER: Do you have a</p> <p>5 ballpark?</p> <p>6 THE WITNESS: I really didn't --</p> <p>7 I don't keep close eye on financials.</p> <p>8 MR. TOMER: Was it a concern that</p> <p>9 the loss would --</p> <p>10 THE WITNESS: No.</p> <p>11 MR. TOMER: -- cause a hit to --</p> <p>12 (Reporter clarification.)</p> <p>13 MR. TOMER: -- the financials at</p> <p>14 FXCM?</p> <p>15 THE WITNESS: No.</p> <p>16 MR. TOMER: Was it -- did you</p> <p>17 ever hear anyone say that this is</p> <p>18 something that we'll have to disclose as</p> <p>19 a loss of revenue for FXCM or anything</p> <p>20 to that effect?</p> <p>21 THE WITNESS: I don't remember</p> <p>22 anything to that effect.</p> <p>23 MR. TOMER: No conversations?</p> <p>24 THE WITNESS: I don't remember.</p> <p>25 MR. TOMER: Okay.</p>
<p style="text-align: right;">263</p> <p>1 Ahdout</p> <p>2 Q. Did you have any discussions with</p> <p>3 FXCM employees, directors or officers about</p> <p>4 the cessation of monthly payments by Effex to</p> <p>5 FXCM Holdings?</p> <p>6 A. I just remember that after the UK</p> <p>7 authorities made their statement we just</p> <p>8 decided to follow in all jurisdictions.</p> <p>9 Q. Did you have any discussions with</p> <p>10 Effex employees, officers or directors about</p> <p>11 cessation of monthly payments by Effex to FXCM</p> <p>12 Holdings?</p> <p>13 A. I don't recall having that</p> <p>14 conversation.</p> <p>15 Q. Are you aware that Effex Capital</p> <p>16 made additional payments to FXCM Holdings in</p> <p>17 September and December of 2014?</p> <p>18 A. No.</p> <p>19 Q. Are you aware that there was a</p> <p>20 payment of \$872,632 made by Effex Capital to</p> <p>21 FXCM Holdings on September 9, 2014?</p> <p>22 A. No.</p> <p>23 Q. Are you aware that a payment of</p> <p>24 \$1.55 million was paid by Effex Capital to</p> <p>25 FXCM Holdings on December 12, 2014?</p>	<p style="text-align: right;">264</p> <p>1 Ahdout</p> <p>2 A. No.</p> <p>3 Q. To your knowledge, has Effex or</p> <p>4 any other entity associated with Effex in any</p> <p>5 way made payments of cash, gifts or property</p> <p>6 to FXCM Holdings or FXCM or any of their</p> <p>7 principals after August 2014?</p> <p>8 A. I wouldn't be able to comment on</p> <p>9 FXCM Holdings or anybody else.</p> <p>10 MR. TOMER: Can you just answer</p> <p>11 the question? I know you can't comment.</p> <p>12 Is the answer no?</p> <p>13 THE WITNESS: Not that I know of.</p> <p>14 MR. ROMEU-MATTA: Let's take a</p> <p>15 break.</p> <p>16 (Discussion off the record.)</p> <p>17 MR. ROMEU-MATTA: We're back on</p> <p>18 the record. It's 4:02.</p> <p>19 Q. Mr. Ahdout, are you familiar with</p> <p>20 a term hold timer?</p> <p>21 A. Old-timer?</p> <p>22 Q. Hold, H-O-L-D.</p> <p>23 A. Hold timer? I'm assuming that's</p> <p>24 a last look.</p> <p>25 Q. I'd like to know what your</p>